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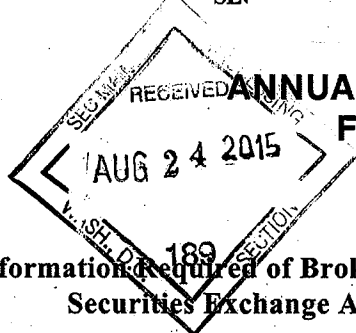


SEC

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MISSION

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden	hours per response..... 12.00



**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8- 28580

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING July 1, 2014 AND ENDING June 30, 2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Mutual Securities, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
807-A Camarillo Springs Road

OFFICIAL USE ONLY
FIRM I.D. NO.

Camarillo, California 93012  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Mitchell Voss (805) 764-6730  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Breard & Associates, Inc.

9221 Corbin Avenue, Suite 170 Northridge CA 91324  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

<b>FOR OFFICIAL USE ONLY</b>

*\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

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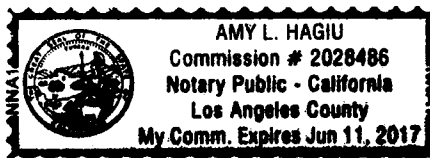
# OATH OR AFFIRMATION

I, Mitchell Voss, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mutual Securities, Inc., as of June 30, 20 15, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

State of California  
County of Ventura  
Subscribed and sworn to (or affirmed) before me on this 3 day of August, 2015 by Mitchell Voss proved to me on the basis of satisfactory evidences to be the person who appeared before me.

[Signature]  
Signature  
President  
Title

[Signature]  
Notary Public



This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

Board of Directors

Mutual Securities, Inc. of California dba Mutual Securities, Inc.:

We have audited the accompanying statement of financial condition of Mutual Securities, Inc. of California dba Mutual Securities, Inc. (the Company) as of June 30, 2015, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mutual Securities, Inc. of California dba Mutual Securities, Inc. as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
August 18, 2015

9221 Corbin Avenue, Suite 170, Northridge, California 91324  
phone 818.886.0940 fax 818.886.1924 web www.baicpa.com

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**WE FOCUS & CARE™**

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Statement of Financial Condition**  
**June 30, 2015**

**Assets**

Cash and cash equivalents	\$ 1,328,134
Deposit with clearing organization	200,000
Commissions receivable	321,483
Furniture, equipment, and leasehold improvements, net	43,201
Prepaid expenses	129,937
Other assets	200
Deposit- other	<u>100,000</u>
<b>Total assets</b>	<b><u>\$ 2,122,955</u></b>

**Liabilities and Stockholders' equity**

**Liabilities**

Accounts payable and accrued expenses	\$ 17,854
Payable to brokers or dealers	573,550
401(k) Employer matching payable	21,102
Income taxes payable	<u>4,245</u>
<b>Total liabilities</b>	<b>616,751</b>

Commitments and contingencies

**Stockholders' equity**

Common stock, no par value, 100,000 shares authorized, 31,216 shares issued and outstanding	23,413
Additional paid-in capital	142,726
Retained earnings	<u>1,340,065</u>
<b>Total stockholders' equity</b>	<b><u>1,506,204</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 2,122,955</u></b>

The accompanying notes are an integral part of these financial statements

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Statement of Income**  
**For the Year Ended June 30, 2015**

**Revenues**

Brokerage commission income	\$ 6,497,137
Mutual fund and direct product commissions	3,843,598
Insurance and annuity commissions	3,653,058
Interest income	380
Other income	<u>726,701</u>
<b>Total revenues</b>	<b>14,720,874</b>

**Expenses**

Employee compensation and benefits	1,652,166
Commissions and floor brokerage	10,705,484
Communications	85,075
Professional fees	317,738
Occupancy and equipment rental	152,390
Other operating expenses	<u>1,008,870</u>
<b>Total expenses</b>	<b><u>13,921,723</u></b>
<b>Net income before income tax provision</b>	<b>799,151</b>

<b>Income tax provision</b>	<u>11,987</u>
<b>Net income</b>	<b><u>\$ 787,164</u></b>

The accompanying notes are an integral part of these financial statements

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended June 30, 2015**

	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at June 30, 2014</b>	\$ 23,413	\$ 142,726	\$ 1,531,650	\$ 1,697,789
Distributions to stockholders	-	-	(978,749)	(978,749)
Net income	-	-	787,164	787,164
<b>Balance at June 30, 2015</b>	<u>\$ 23,413</u>	<u>\$ 142,726</u>	<u>\$ 1,340,065</u>	<u>\$ 1,506,204</u>

The accompanying notes are an integral part of these financial statements

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2015**

**Cash flow from operating activities:**

Net income		\$ 787,164
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	\$ 7,760	
(Increase) decrease in assets:		
Commissions receivable	(1,846)	
Prepaid expense	(14,809)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(21,536)	
Payable to brokers/dealers	(17,918)	
401(k) Employer matching payable	344	
Income taxes payable	<u>(535)</u>	
Total adjustments		<u>(48,540)</u>
<b>Net cash and cash equivalents provided by operating activities</b>		<b>738,624</b>

**Cash flow from investing activities:**

Proceeds from repayments on note receivable	<u>12,103</u>	
<b>Net cash and cash equivalents provided by investing activities</b>		<b>12,103</b>

**Cash flow from financing activities:**

Capital distributions	<u>(978,749)</u>	
<b>Net cash and cash equivalents used in financing activities</b>		<b><u>(978,749)</u></b>
<b>Net decrease in cash and cash equivalents</b>		<b>(228,022)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b><u>1,556,156</u></b>
<b>Cash and cash equivalents at end of year</b>		<b><u><u>\$ 1,328,134</u></u></b>

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$ 4,669
Income taxes	\$ 13,010

The accompanying notes are an integral part of these financial statements

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Mutual Securities, Inc. of California dba Mutual Securities, Inc. (the "Company") was incorporated in the State of California on February 4, 1982 under the name Brokers Office Management-Encino, Inc and subsequently changed its name to Mutual Securities, Inc. of California on November 9, 1998. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer which provides several classes of services. The majority of its income is earned from agency commissions and equity transactions. Services offered include the sale of corporate debt, equity securities, options, U.S. government and municipal securities to institutional and retail customers. Services also include the sale of variable life insurance policies and annuities.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes relating to the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

Commissions receivable

Commissions receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Securities transactions are recorded on a trade date basis with related commission income and expenses also recorded on a trade date basis.



**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Property, plant and equipment

Furniture, equipment, and leasehold improvements are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

Advertising and promotional cost

Advertising and marketing costs are expensed as incurred. For the year ended June 30, 2015, advertising costs of \$4,625 are included in other operating expense.

Income taxes

With the consent of its shareholders, the Company has elected to be treated as an S Corporation under Subchapter S of the Internal Revenue Code. Subchapter S of the Code provides that in lieu of corporate income taxes, the stockholders are individually taxed on the Company's taxable income; therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar regulations, although there exists a provision for a minimum franchise tax and a tax rate of 1.5% over the minimum franchise fee of \$800.

The Company has elected to report the statement of changes in stockholders' equity without disclosing the accumulated adjustment account and other equity accounts pertinent to an S Corporation. There is no financial impact to these financial statements.

**Note 2: DEPOSIT WITH CLEARING ORGANIZATION**

The Company has a brokerage agreement with National Financial Services LLC ("Clearing Broker") to carry its account and the accounts of its clients as customers of the Clearing Broker. The Clearing Broker has custody of the Company's cash balances which serve as collateral for any amounts due to the Clearing Broker as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance at June 30, 2015 was \$200,000.

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 3: FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS, NET**

Furniture, equipment, and leasehold improvements are recorded net of accumulated depreciation and summarized by major classification as follows:

		<u>Useful Life</u>
Furniture and fixtures	\$ 67,986	7
Machinery and equipment	59,729	5
Leasehold improvements	<u>59,007</u>	15
Total cost of furniture, equipment, and leasehold improvements	186,722	
Less: accumulated depreciation	<u>(143,521)</u>	
Furniture, equipment, and leasehold improvements, net	<u>\$ 43,201</u>	

Depreciation expense for the year ended June 30, 2015 was \$7,760.

**Note 4: INCOME TAXES**

As discussed in Note 1, the Company has elected the S Corporate tax status; therefore, no federal income tax provision is included in these financial statements. The tax provision reported is the California franchise tax of \$11,987.

The Company is required to file income tax returns in both federal and state tax jurisdictions. The Company's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operated in accordance with the normal statutes of limitations in the applicable jurisdiction. For Federal purposes, the statute of limitations is three years. Accordingly, the company is no longer subject to examination of federal returns filed more than three years prior to the date of these financial statements. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of June 30, 2015, the taxing authorities have not proposed any adjustment to the Company's tax position.

**Note 5: RELATED PARTY TRANSACTIONS**

On October 1, 2009, the Company entered into a lease agreement for office space with KCMA Investments, LLC ("KCMA") with which the Company has common ownership. For the year ended June 30, 2015, the Company paid \$139,892 in occupancy expense to KCMA. See Note 8 for further information on the lease agreement.

Mutual Advisors, LLC ("Mutual Advisors"), is affiliated with the Company through common control. The Company offers brokerage services to certain clients of Mutual Advisors, and either those certain clients or their investment adviser representatives are charged for such brokerage services.

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 5: RELATED PARTY TRANSACTIONS**  
**(CONTINUED)**

Throughout the year ended June 30, 2015, the Company collected fees on behalf of Mutual Advisors and subsequently remitted the entirety of payments to Mutual Advisors. The Company also collects fees from Mutual Advisors for advisor ticket charges. During the year ended June 30, 2015, these fees totaled \$5,725.

It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

**Note 6: 401 (K) PLAN**

The Company has a 401(k) plan ("Plan") covering substantially all of its employees. Employees are required to have attained the age of 21 and to have completed one year of service in order to be eligible to participate in the Plan. The Plan provides that the employer may make matching contributions and/or annual discretionary contributions. For the year ended June 30, 2015, the Company incurred a total of \$42,809 in matching contributions.

**Note 7: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 8: COMMITMENTS AND CONTINGENCIES**

*Commitments*

The Company's current lease expires on August 31, 2015 and has an option to renew for three five year options. As of the date of these financial statements, management is negotiating new lease terms.

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 8: COMMITMENTS AND CONTINGENCIES**  
**(CONTINUED)**

*Contingencies*

The Company maintains several bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. At times during the year ended June 30, 2015, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits. The Company has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

The Company had no other commitments or contingent liabilities at June 30, 2015, or during the year then ended.

**Note 9: GUARANTEES**

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others.

The Company has issued no guarantees at June 30, 2015, or during the year then ended.

**Note 10: SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 11: RECENTLY ISSUED ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

For the year ending June 30, 2015, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended.

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Note 12: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on June 30, 2015, the Company had net capital of \$1,198,429 which was \$1,098,429 in excess of its required net capital of \$100,000; and the Company's ratio of aggregate indebtedness (\$616,751) to net capital was 0.51 to 1, which is less than the 15 to 1 maximum allowed.

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of June 30, 2015**

**Computation of net capital**

Common stock	\$ 23,413	
Additional paid-in capital	142,726	
Retained earnings	<u>1,340,065</u>	
<b>Total stockholders' equity</b>		<b>\$ 1,506,204</b>
Less: Non-allowable assets		
Other current assets	(2,381)	
Furniture, equipment, and leasehold improvement	(43,201)	
Petty cash	(200)	
Prepaid expense	(129,937)	
Deposit- other	<u>(100,000)</u>	
<b>Total non-allowable assets</b>		<u>(275,719)</u>
<b>Net capital before haircuts</b>		<b>1,230,485</b>
Less: Haircuts on securities		
Haircut on money markets	(19,056)	
Other deductions	<u>(13,000)</u>	
<b>Total haircuts on securities</b>		<u>(32,056)</u>
<b>Net Capital</b>		<b>1,198,429</b>
<b>Computation of net capital requirements</b>		
Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 41,117	
Minimum dollar net capital required	<u>\$ 100,000</u>	
Net capital required (greater of above)		<u>(100,000)</u>
<b>Excess net capital</b>		<b><u>\$ 1,098,429</u></b>
Ratio of aggregate indebtedness to net capital	0.51 : 1	

There are no material differences between the preceding computation and the Company's corresponding unaudited part II of Form X-17A-5 as of June 30, 2015.

See independent auditors' report

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Schedule II - Computation for Determining of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of June 30, 2015**

A computation of reserve requirements is not applicable to Mutual Securities, Inc. of California dba Mutual Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

See independent auditors' report

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Schedule III - Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of June 30, 2015**

Information relating to possession or control requirements is not applicable to Mutual Securities, Inc. of California dba Mutual Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

See independent auditors' report



**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Report on Exemption Provisions**  
**Report Pursuant to Provisions of 17 C.F.R. § 15c3-3(k)**  
**For Year Ended June 30, 2015**



Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which (1) Mutual Securities, Inc. of California dba Mutual Securities, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Mutual Securities, Inc. of California dba Mutual Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (2) Mutual Securities, Inc. of California dba Mutual Securities, Inc. stated that Mutual Securities, Inc. of California dba Mutual Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year except as described in its exemption report. Mutual Securities, Inc. of California dba Mutual Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Mutual Securities, Inc. of California dba Mutual Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
August 18, 2015

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phone 818.886.0940 fax 818.886.1924 web www.baicpa.com  
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## Assertions Regarding Exemption Provisions

We, as members of management of Mutual Securities, Inc. of California dba Mutual Securities, Inc. ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(ii).

### Statement Regarding Exceptions to Meeting Exemption Provision:

The Company did not meet the identified exemption provision throughout the period July 1, 2014 through June 30, 2015). Details regarding the nature and date(s) of occurrence of exception(s) to meeting the exemption provision are listed below:

A check from an insurance company vendor was received by the Company without backup documentation and was erroneously recorded as a commission payment to the Company's general checking account. However, the check was meant for the benefit of a client account and corrective action was taken to credit the clients account upon discovery.

From the date the check was received to the date corrective action was taken, all occurred during the July 2014 reporting period. The Company carried net capital in excess of \$250,000 throughout the July 2014 reporting period and has implemented new procedures to mitigate any custody requirement oversight in the future.

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**

By:

*[Signature]*  
(Name and Title)

*August 7, 2015*  
(Date)

**Mutual Securities, Inc.**  
**Report on the SIPC Annual Assessment**  
**Pursuant to Rule 17a-5(e)4**  
**For the Year Ended June 30, 2015**



Board of Directors

Mutual Securities, Inc. of California dba Mutual Securities, Inc.:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2015, which were agreed to by Mutual Securities, Inc. of California dba Mutual Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, solely to assist you and the other specified parties in Mutual Securities, Inc. of California dba Mutual Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Mutual Securities, Inc. of California dba Mutual Securities, Inc.'s management is responsible for the Mutual Securities, Inc. of California dba Mutual Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries contained in the client general ledger noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended June 30, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended June 30, 2015, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with client prepared supporting schedules and working papers contained in our "A" work papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers prepared by Mutual Securities, Inc. of California dba Mutual Securities, Inc. supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Breard & Associates, Inc.".

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
August 18, 2015

**Mutual Securities, Inc. of California dba Mutual Securities, Inc.**  
**Schedule of Securirties Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended June 30, 2015**

	<u>Amount</u>
<b>Total assessment</b>	\$ 15,201
 SIPC-6 general assessment Payment made on January 22, 2015	 (7,877)
 SIPC-7 general assessment Payment made on July 23, 2015	 <u>(7,324)</u>
 <b>Total assessment balance</b>	 <u><u>\$ -</u></u>